

## Senate Resolution 759

By: Senators Buckner of the 44th, Jones of the 10th, Seay of the 34th, Butler of the 55th,  
Tate of the 38th and others

## A RESOLUTION

1 Requesting mortgage lending institutions to adopt rent-to-own programs to help to eliminate  
2 unnecessary home mortgage foreclosures; and for other purposes.

3 WHEREAS, in 2009, more than 2.3 million American homeowners will face foreclosure  
4 proceedings, and the numbers continue to increase, with homeowners with subprime  
5 mortgages most at risk; and

6 WHEREAS, an estimated 36,753 Georgia families will lose their homes to foreclosure in  
7 2008 and 2009; and

8 WHEREAS, 45 million homes, with 630,000 in Georgia, are projected to lose collectively  
9 \$223 billion, and nearly \$2 billion in Georgia, in 2008 and 2009 solely due to declining home  
10 values caused by foreclosures on subprime loans of nearby homes; and

11 WHEREAS, the estimated loss in property taxes due to this loss in property values for the  
12 state and local governments in Georgia will exceed \$14.5 million, and the presence of vacant  
13 foreclosed homes has been demonstrated to lead to increased neighborhood crime rates; and

14 WHEREAS, foreclosure prevention programs created to provide immediate relief to at-risk  
15 homeowners can have a significant impact on reducing foreclosure rates, and a substantial  
16 number of these subprime mortgage loans will not qualify for loan modification programs  
17 currently proposed by federal agencies and mortgage loan servicers; and

18 WHEREAS, lending institutions may adopt and implement rent-to-own modified mortgages  
19 that allow individuals that would otherwise be facing foreclosure to pay a lower "rent" rate  
20 on a temporary basis until they are able to make full house payments again, thereby avoiding  
21 foreclosure; and

22 WHEREAS, providing homeowners flexibility to meet their financial obligations will help  
23 to rebuild the economy and benefit lending institutions and consumers alike; and

24 WHEREAS, without a collective solution, such as the rent-to-own program, millions of  
25 American families will be forced into mortgage foreclosure, further retarding the growth of  
26 our national and state economies during this recessionary period.

27 NOW, THEREFORE, BE IT RESOLVED BY THE SENATE that the members of this body  
28 request that mortgage lending institutions that provide home loans develop a rent-to-own  
29 program to allow those individuals that would otherwise be facing foreclosure to pay a lower  
30 rent rate until they gain the ability to make their full mortgage payment again.

31 BE IT FURTHER RESOLVED that such a financial institution should create and adopt  
32 specialized procedures, policies, and programs to support its mission to help bridge subprime  
33 consumers back to the financial mainstream.

34 BE IT FURTHER RESOLVED that the Secretary of the Senate is authorized and directed  
35 to transmit appropriate copies of this resolution to the Georgia Bankers Association and the  
36 Community Bankers Association of Georgia.